



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

October 5, 2004

Mr. Stan Wagner
Ziegler Chemical and Mineral Corporation
Little Bonanza Operations
Star Route
Vernal, Utah 84078

Subject: Plugging Proposal for Shafts 1 and 2 of Cowboy-Bandana Mines, Ziegler Chemical and Mineral Corporation, Ziegler Gilsonite Mines, M/047/013, Uintah County, Utah

Dear Mr. Wagner:

The Division has received and reviewed your proposal for closure of the referenced shafts on federal lease U-0122693. This was submitted in response to a notice of noncompliance issued by the Bureau of Land Management June 10, 2004.

The Division hereby approves your proposal with one condition:

Each major step in closing these shafts must be photo-documented. These photos need to show that the plugs are on bedrock, that reinforcing steel was used and was installed properly, and that you used the proper thickness of concrete.

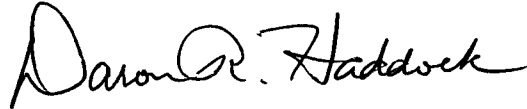
Unless a Division representative is present when a shaft is being sealed, it is impossible for us to know exactly what methods were used and whether closure was done properly. It would also be nearly impossible for a Division or BLM representative to be present every time you seal a shaft. For this reason, ***the Division will require photo-documentation for releasing any shafts closed in the future.***

Please note that the BLM may have additional requirements and we encourage you to work with them to ensure abatement of their notice of noncompliance.

Stan Wagner
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Please call me at 801-538-5325 or Paul Baker at 801-538-5261 if you have any questions about this approval or these conditions. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible, and "R." as a middle initial.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:PBB:jb
cc: Stan Perkes, BLM
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